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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/071,768	02/07/2002	Edmund Ming Kwan	PA2354US	1636
30554	7590	07/01/2005	EXAMINER	
SHEMWELL GREGORY & COURTNEY LLP 4880 STEVENS CREEK BOULEVARD SUITE 201 SAN JOSE, CA 95129			BORISSOV, IGOR N	
			ART UNIT	PAPER NUMBER
			3639	

DATE MAILED: 07/01/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b> 10/071,768	<b>Applicant(s)</b> KWAN, EDMUND MING	
	<b>Examiner</b> Igor Borissov	<b>Art Unit</b> 3639	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 10 May 2005.  
 2a) ☒ This action is **FINAL**.                      2b) ☐ This action is non-final.  
 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 38-42, 44-46, 48-51, 56-60, 62-69, 71-75 and 78-97 is/are pending in the application.  
     4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.  
 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.  
 6) ☒ Claim(s) 38-42, 44-46, 48-51, 56-60, 62-69, 71-75 and 78-97 is/are rejected.  
 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.  
 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.  
 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
     Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
     Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).  
 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
     a) ☐ All    b) ☐ Some \*    c) ☐ None of:  
         1. ☐ Certified copies of the priority documents have been received.  
         2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
         3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).  
     \* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

## DETAILED ACTION

### ***Response to Amendment***

Amendment received on 5/10/2005 is acknowledged and entered. Claims 1-37, 43, 47, 52-55, 61, 70, 76-77 have previously been canceled. Claims 38, 59, 90, 92 and 95 have been amended. Claims 38-42, 44-46, 48-51, 56-60, 62-69, 71-75 and 78-97 are currently pending in the application.

### ***Claim Rejections - 35 USC § 112***

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

**Claims 59-60, 62-69, 71-75, 78-89 and 95-97** are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention.

As per independent Claims 59 and 95, they recite a system comprising an *executable enterprise solution*, which comprises one or more *modules* configured to perform certain functions.

Specification defines *enterprise solution* as a software solution (Page one, line 19). Furthermore, the Specification does not provide any indication of an apparatus including a processor, a database, or hardware of any kind, which could include said "one or more *modules* configured to perform certain functions."

Therefore, the independent Claims 59 and 95 do not recite any structural elements of the claimed system, and, thereby, do not enable one skilled in the art to make and/or use the invention. The remaining Claims are rejected as being dependent on said independent Claims.

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

**Claims 40-41 and 62-63 are rejected under 35 U.S.C. 112**, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 40-41 and 62-63 are confusing, because it is not clear how exactly the *enabling* sub-step in the step off: "*enabling the client to decide whether one or more of the partners in the collaboration community are capable of electing to become subscribers*" is conducted. Furthermore, it is not clear how *enabling* sub-step is connected to *capability of electing* sub-step. Specifically, it is not clear what method steps have to be fulfilled in order to provide functionality recited in the claims.

The remaining claims are rejected as being dependent on claim 59.

### ***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

**Claims 59-60, 62-69, 71-75, 78-89 and 95-97 are rejected under 35 U.S.C. 101** because the claimed invention is directed to non-statutory subject matter. The claimed invention is not within the technological arts.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement

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thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

*The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. In re Toma at 857.*

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application, the claims are completely silent with regard to technology and are purely an abstract idea or process steps that are employed

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completely without the use of any technology whatsoever. The claims are no more than recitation of software elements, and do not indicate a provision of any structural elements.

As per independent Claims 59 and 95, they recite a system comprising an *executable enterprise solution*, which comprises one or more *modules* configured to perform certain functions.

Specification defines *enterprise solution* as a software solution (Page one, line 19). Furthermore, the Specification does not provide any indication of an apparatus including a processor, a database, or hardware of any kind, which could include said "one or more *modules* configured to perform certain functions.", or any other indication of any technology whatsoever.

As to technological arts recited in the preamble, mere recitation in the preamble (i.e., intended or field of use) an online community does not confer statutory subject matter to an otherwise abstract idea unless there is positive recitation in the claim as a whole to breathe life and meaning into the preamble.

Because the independently claimed invention is directed to an abstract idea which does not recite a limitation in the technological arts, those claims are not permitted under 35 USC 101 as being related to non-statutory subject matter. However, in order to consider those claims in light of the prior art, examiner will assume that those claims recite statutorily permitted subject matter.

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

**Claims 38-42, 44-46, 48-51, 56-60, 62-69, 71-75 and 78-96 are rejected under 35 U.S.C. 103(a) as being unpatentable over Shorter (US 2002/0198782).**

Shorter teaches a method and system for long-term customer retention by applying an incentive on a monthly, on-going basis, comprising:

Independent Claims.

**Claims 38, 59, 90, 91 and 94.** Generating by a user (client) a list of referred subscribers (partners) [0054]; generating a value by applying a predetermined function to a referred subscribers subscription fee [0035] - [0038]; [0045]; modifying client's host subscription fee based upon results of said generated value [0035] - [0038]; updating relevant information regarding subscription fee [0041]; [0047]; [0051]; and utilizing a network for communicating a balance of said client's host subscription fee to the user [0030]; [0047]. As per "collaboration community" feature, Shorter teaches the Internet environment wherein the participants communicate with each other via email (Fig. 5, # 507); [0052].

Shorter does not specifically teach that *a user is a client, and a subscriber is a partner*. However, the Specification does not provide any indication of the advantages of said terminology over teachings of the prior art. Without such indication, the terms *a client* and *a partner* would be obvious variation of terms *a user* and *a subscriber*, and method steps, disclosed in Shorter would be performed the same regardless of the terminology used in respect to *users* and *subscribers*.

Furthermore, language as to *a client or a partner* is non-functional language and given no patentable weight. Non-functional descriptive material cannot render non-obvious an invention that would otherwise have been obvious. See: *In re Gulack* 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983) *In re Dembiczak* 175 F.3d 994, 1000, 50 USPQ2d 1614, 1618 (Fed. Cir. 1999). The specific example of non-functional descriptive material is provided in MPEP 2106, Section VI: (example 3) a process that differs from the prior art only with respect to non-functional descriptive material that cannot alter how the process steps are to be performed. The method steps, disclosed in Shorter would be performed the same regardless is the user a client or not, and is the referred subscriber a partner or not.

Dependent Claims.



**Claims 39 and 60.** Said method and system, wherein said subscription is offered to a client as an option [0030].

**Claims 40-41, 44-45, 62-63 and 64-65.** Said method and system, wherein the user selects candidates to become subscribers among friends and family members [0034]. Information as to *flexibility to decide*, is non-functional language and given no patentable weight. Non-functional descriptive material cannot render non-obvious an invention that would otherwise have been obvious. See: *In re Gulack* 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983) *In re Dembiczak* 175 F.3d 994, 1000, 50 USPQ2d 1614, 1618 (Fed. Cir. 1999).

**Claims 42 and 69.** Said method and system, wherein subscribers have different subscription plans [0045]. Information as to *each subscriber is one of two or more types of subscribers* is non-functional language and given no patentable weight. Non-functional descriptive material cannot render non-obvious an invention that would otherwise have been obvious. See: *In re Gulack* 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983) *In re Dembiczak* 175 F.3d 994, 1000, 50 USPQ2d 1614, 1618 (Fed. Cir. 1999).

**Claim 46.** See claim 38.

**Claims 48 and 78.** See claim 38.

**Claims 49 and 88.** Said method and system, wherein each subscriber can correct the subscription data [0054]; thereby obviously indicating providing a record of said corrections.

**Claims 50-51 and 80.** See claim 38.

**Claims 56-57 and 86-87.** Requiring the payment of an annual membership fee for a subscription obviously indicates enabling to restrict rights of usage for non-payment said fee [0014].

**Claims 58 and 89.** See claim 38.

**Claim 66.** Providing a record of active and non-active users accounts [0040] obviously indicates *tracking* feature.

**Claim 67.** Said system, configured to track subscribers activity [0031]; [0037].

**Claim 68.** Said method and system, wherein the system is configured to

receive a subscriber's credit card information [0047].

**Claims 71-73.** Electing a requirement of generating a larger number of referral subscribers obviously indicates generating invitations to all invitees [0044].

**Claims 74-75 and 79.** Said method and system, wherein the system is configured to update a user's host subscription fee [0047].

**Claims 81 and 84.** Providing various subscription plans obviously indicates providing various privileges to different users.

**Claim 82.** See claim 38.

**Claim 83.** See claim 38. Information as to *a hosted enterprise solution is a document workflow enterprise collaboration software solution* is non-functional language and given no patentable weight. Non-functional descriptive material cannot render non-obvious an invention that would otherwise have been obvious. See: *In re Gulack* 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983) *In re Dembiczak* 175 F.3d 994, 1000, 50 USPQ2d 1614, 1618 (Fed. Cir. 1999).

**Claim 85.** See claim 38.

**Claim 92 and 95.** Generating a list of referred subscribers [0054].

**Claim 93 and 96.** Providing a payment and non-payment subscriptions to subscribers [0014].

### ***Response to Arguments***

Applicant's arguments filed 5/10/2005 have been fully considered but they are not persuasive.

In response to the applicant's argument that the prior art does not show collaboration environment, it is noted that Shorter does indicated this feature. Specifically, Shorter teaches the Internet environment wherein the participants communicate with each other via email (Fig. 5, # 507); [0052].

In response to applicant's argument that the prior art fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (*a user*

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*to be responsible for subscription fees of multiple users*) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

In response to applicant's argument that the prior art fail to show more than one referral, it is noted that Shorter teaches the Internet environment, wherein any user of the Internet can participate [0033].

### **Conclusion**

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

Any inquiry concerning this communication should be directed to Igor Borissov at telephone number (571) 272-6801.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's Supervisor, John Hayes, can be reached at (571) 272-6708.

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Any response to this action should be mailed to:

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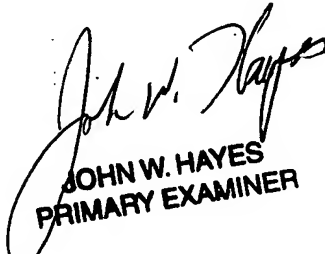
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communications labeled "Box AF"]

IB

6/24/2005

  
**JOHN W. HAYES  
PRIMARY EXAMINER**